

# Proclamation

by

Stephen L. Beshear  
Governor

of the

Commonwealth of Kentucky



*To All To Whom These Presents Shall Come:*

**WHEREAS**, the current budget of the Commonwealth was enacted based on various financial and actuarial assumptions; and

**WHEREAS**, the United States Congress failed to appropriate the anticipated levels of additional funding for state Medicaid programs; and

**WHEREAS**, the Commonwealth currently faces a shortfall in the Medicaid budget in FY 2011; and

**WHEREAS**, I proposed rebalancing the Medicaid budget by transferring \$166.5 million from the FY2012 Medicaid budget to FY2011, then capturing savings through expanded managed care programs and other program efficiency measures; and

**WHEREAS**, this proposal was passed overwhelmingly in a bipartisan vote in the Kentucky House of Representatives during the 2011 Regular Session of the General Assembly; and

**WHEREAS**, the proposal I offered was rejected by a partisan vote of the Kentucky Senate, which would instead cut \$148.5 million from the non-Medicaid areas of the current budget, with 81 percent of the cuts coming from the priority areas of education, health care and public safety; and

**WHEREAS**, the House overwhelmingly in a bipartisan vote rejected the Senate proposal as requiring unnecessary cuts, including specifically cuts to SEEK funding, the basic funding formula for K-12 education; and

**WHEREAS**, although 114 of the 138 members of the Kentucky General Assembly rejected the unnecessary cuts proposed by the Senate, the Senate nevertheless refused to recede from its draconian proposal; and

**WHEREAS**, our schoolchildren, college students, seniors, veterans, state police, prosecutors, social workers and others should not be forced to pay for a shortfall in the Medicaid budget, when there is an alternative proposal available that addresses the Medicaid shortfall within the Medicaid budget without having to make unnecessary cuts; and

**WHEREAS**, without passage of a Medicaid budget bill, the only alternative would be to make huge reductions in health care provider rates commencing April 1, 2011, which reductions would lead to layoffs, furloughs and further reductions in health care services; and

**WHEREAS**, the aforementioned provider cuts would devastate the provider networks, undermining our ability to achieve savings through managed care initiatives in FY 2012; and

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**WHEREAS**, the Commonwealth is obligated to make certain expenditures in post-secondary education to satisfy the maintenance of effort requirement attendant to its receipt of \$134.9 million from the U.S. Department of Education, which funds have already been received by the state and distributed to its K-12 schools pursuant to the SEEK formula; and

**WHEREAS**, without passage of legislation to insure sufficient funds are available to satisfy the maintenance of effort requirement, our school districts risk having to return the federal education dollars; and

**WHEREAS**, a solid foundation in education is essential to advancing our workforce and economy; however, in Kentucky, more than 6,000 students drop out of school each year and nearly 26 percent of all adults have less than a high school education; and

**WHEREAS**, these numbers have real consequences for the Commonwealth since high school dropouts are four times more likely to be unemployed than college graduates and, on average, Kentucky high school dropouts earn about \$6,800 less each year than someone with a diploma; one in four dropouts resorts to public assistance; and crime rates soar among those who have dropped out of school, which affects not only individual dropouts, but our communities and society as a whole; and

**WHEREAS**, it has been determined that an urgent need exists to enact legislation to solve this problem because education provides a passport to future success – not only for our children, but also for the future of our state; and

**WHEREAS**, although for the last two regular legislative sessions, legislation to raise the dropout age has passed the Kentucky House with overwhelming bipartisan support, Senate President David Williams has refused to permit such legislation to reach the Senate floor for a vote:

**NOW, THEREFORE**, pursuant to the power vested in me by Section 80 of the Constitution of the Commonwealth of Kentucky, I, Steven L. Beshear, Governor, do hereby issue this proclamation convening the Kentucky General Assembly in Extraordinary Session at the Seat of Government, Frankfort, Kentucky at 2 p.m. (EDT), Monday, March 14, 2011, for the sole purpose of considering the following subjects:

1. Adjustments to the appropriations for Medicaid Benefits and Postsecondary Education Institutions, and the General Fund resources necessary to support the adjusted appropriations, by amending 2010 (1<sup>st</sup> Extra. Sess.) Kentucky Acts Chapter 1, Part I, Sections G and K; Part III, Part V, and Part VI; and 2010 (1<sup>st</sup> Extra. Sess.) Kentucky Acts Chapter 3, Part III.

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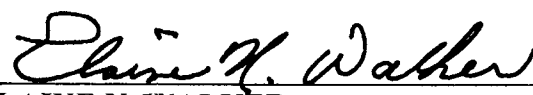


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2. In an effort to increase the numbers of high school graduates in Kentucky, the enactment of legislation to increase the allowable age at which children can drop out of school.
3. Declaring an emergency thereby making any legislation enacted pursuant to this proclamation effective upon the signature of the Governor.

DONE AT THE CAPITOL, in the City of Frankfort, this the 9<sup>th</sup> day of March, in the year of our Lord Two Thousand and Eleven and in the year of the Commonwealth Two Hundred and Nineteen.

  
STEVEN L. BESHEAR  
Governor

  
ELAINE N. WALKER  
Secretary of State

**RECEIVED AND FILED**

**DATE** 3/9/2011

**ELAINE N. WALKER**  
**SECRETARY OF STATE**  
**COMMONWEALTH OF KENTUCKY**  
**BY** [Signature]